

2012 Spencer County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Spencer County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Spencer County the average tax bill for all taxpayers increased 11.6%. This large tax bill rise was mainly the result of a 3.7% increase in Spencer County net assessed value, led by large increases in farmland and business personal property assessments. Most of the personal property increase was new property in a TIF area. The tax levy of all local government units rose modestly, by 0.9%. The levy increased less than certified net assessed value, so tax rates fell in most Spencer County tax districts. This caused a slight 0.1% decline in tax cap credits as a percent of the levy.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	11.6%	\$20,821,883	\$1,345,447,167	0.3%
Change		0.9%	3.7%	-0.1%
2011	10.4%	\$20,634,398	\$1,298,013,080	0.4%

Homestead Property Taxes

Homestead property taxes decreased 0.9% on average in Spencer County in 2012. Tax rates in most Spencer County tax districts decreased. The county average tax rate fell by 2.6%. Spencer County's local homestead credit rate was almost unchanged in 2012. Very few homesteads were eligible for tax cap credits in Spencer County. The percentage of Spencer County homesteads at their tax caps remained under one percent.

Net Tax Bill Changes - All Property Types

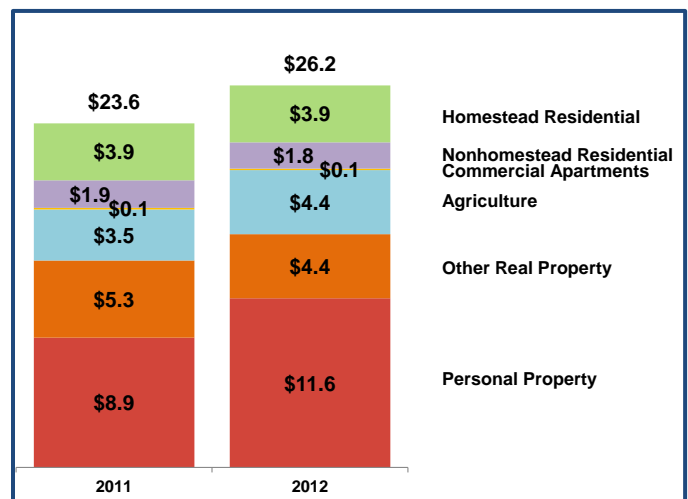
Most Spencer County 2012 net property taxes were paid by business owners on their land and buildings (other real) and business equipment (personal). Net tax bills for all taxpayers increased 11.6% in Spencer County in 2012. Net taxes were lower on all property categories except agricultural property and personal property. Taxes on agricultural and personal property saw increases because of increases in assessed value.

Comparable Homestead Property Tax Changes in Spencer County

	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	2,553	41.5%
No Change	186	3.0%
Lower Tax Bill	3,415	55.5%
Average Change in Tax Bill	-0.9%	
Detailed Change in Tax Bill		
20% or More	362	5.9%
10% to 19%	243	3.9%
1% to 9%	1,948	31.7%
0%	186	3.0%
-1% to -9%	2,781	45.2%
-10% to -19%	370	6.0%
-20% or More	264	4.3%
Total	6,154	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates decreased in about three-quarters of Spencer County tax districts. The average tax rate fell by 2.6%, because a small levy increase was offset by a larger increase in net assessed value.

Levies in Spencer County increased slightly by 0.9%. The largest levy increase was in the county unit, mainly due to an increase in the general fund levy. North Spencer County School Corporation experienced large decreases in its debt service and capital projects funds.

Spencer County's total net assessed value increased 15.9% in 2012. Business real and personal net assessments rose 23.5%, and agricultural assessments rose 9.6%. The large increase in agricultural net assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Homestead assessments rose by smaller amounts.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$639,723,660	\$654,460,339	2.3%	\$247,766,173	\$256,226,057	3.4%
Other Residential	104,610,761	103,857,161	-0.7%	103,968,063	103,125,575	-0.8%
Ag Business/Land	278,088,083	305,588,800	9.9%	277,722,476	304,454,199	9.6%
Business Real/Personal	954,253,971	1,151,359,639	20.7%	859,770,937	1,061,918,079	23.5%
Total	\$1,976,676,475	\$2,215,265,939	12.1%	\$1,489,227,649	\$1,725,723,910	15.9%

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Spencer County were \$80,487, or 0.3% of the levy. This was much less than the state average percentage of the levy of 9.2% and much less than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Spencer County's tax rates were less than the state average and less than the state median.

More than two-thirds of the total tax cap credits were in the 2% nonhomestead/farmland category. The largest percentage losses were in the town of Richland, where district tax rates were above \$2.50 per \$100 assessed value. The largest dollar losses were in the county unit, Rockport City and the South Spencer School Corporation.

Tax Cap Credits by Category

Tax cap credits decreased slightly in Spencer County in 2012 by \$4,056, or 4.8%. The percentage of the levy lost to credits fell by 0.1%. There were no major changes in state policy to affect tax cap credits in 2012. Spencer County credits decreased mainly because most district tax rates decreased.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$11,014	\$11,763	\$748	6.8%
2%	63,215	58,487	-4,728	-7.5%
3%	0	0	0	0.0%
Elderly	10,314	10,238	-76	-0.7%
Total	\$84,543	\$80,487	-\$4,056	-4.8%
% of Levy	0.4%	0.3%		-0.1%

Spencer County Levy Comparison by Taxing Unit

Taxing Unit	2008	2009	2010	2011	2012	% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
<i>County Total</i>	30,689,358	19,332,841	19,655,642	20,634,398	20,821,883	-37.0%	1.7%	5.0%	0.9%
State Unit	31,188	0	0	0	0	-100.0%			
Spencer County	7,000,341	5,777,014	6,320,521	6,455,019	6,646,508	-17.5%	9.4%	2.1%	3.0%
Carter Township	24,060	24,507	25,903	25,772	27,335	1.9%	5.7%	-0.5%	6.1%
Clay Township	38,030	39,454	41,170	42,128	32,486	3.7%	4.3%	2.3%	-22.9%
Grass Township	72,923	72,213	65,473	78,405	71,309	-1.0%	-9.3%	19.8%	-9.1%
Hammond Township	30,792	32,021	33,183	34,073	35,105	4.0%	3.6%	2.7%	3.0%
Harrison Township	25,872	26,666	28,092	28,881	29,721	3.1%	5.3%	2.8%	2.9%
Huff Township	15,214	15,378	16,297	16,754	17,198	1.1%	6.0%	2.8%	2.7%
Jackson Township	19,408	17,890	19,890	20,422	29,634	-7.8%	11.2%	2.7%	45.1%
Luce Township	238,113	237,888	190,740	231,610	232,694	-0.1%	-19.8%	21.4%	0.5%
Ohio Township	255,275	215,375	253,039	376,255	314,788	-15.6%	17.5%	48.7%	-16.3%
Rockport Civil City	497,612	472,480	414,727	395,552	385,496	-5.1%	-12.2%	-4.6%	-2.5%
Chrisney Civil Town	41,798	43,654	44,592	46,356	47,781	4.4%	2.1%	4.0%	3.1%
Dale Civil Town	241,196	243,169	260,422	267,656	275,713	0.8%	7.1%	2.8%	3.0%
Gentryville Civil Town	20,638	21,800	21,171	22,293	22,318	5.6%	-2.9%	5.3%	0.1%
Grandview Civil Town	70,995	73,865	76,622	78,695	80,998	4.0%	3.7%	2.7%	2.9%
Santa Claus Civil Town	544,628	566,419	587,276	602,951	620,271	4.0%	3.7%	2.7%	2.9%
Richland Civil Town	0	0	59,992	61,851	63,659			3.1%	2.9%
North Spencer County School Corp	9,245,405	5,270,641	4,800,818	5,342,278	5,266,820	-43.0%	-8.9%	11.3%	-1.4%
South Spencer County School Corp	10,582,084	4,498,726	4,594,448	4,656,732	4,724,080	-57.5%	2.1%	1.4%	1.4%
Spencer County Public Library	853,018	831,849	903,715	928,909	956,934	-2.5%	8.6%	2.8%	3.0%
Lincoln Heritage Public Library	448,879	462,705	480,705	493,408	500,200	3.1%	3.9%	2.6%	1.4%
Carter Fire Protection District	89,108	90,593	96,175	98,703	101,782	1.7%	6.2%	2.6%	3.1%
Spencer County Solid Waste Mgmt Dist	302,781	298,534	320,671	329,695	339,053	-1.4%	7.4%	2.8%	2.8%

Spencer County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
74001	Carter Township	1.5097	--	4.5119%	--	--	--	--	1.4416
74002	Dale Town	1.9723	--	4.5119%	--	--	--	--	1.8833
74003	Santa Claus Town-Carter Township	1.7879	--	4.5119%	--	--	--	--	1.7072
74004	Clay Township	1.4627	--	4.5119%	--	--	--	--	1.3967
74005	Santa Claus Town-Clay Township	1.7855	--	4.5119%	--	--	--	--	1.7049
74006	Grass Township	1.4879	--	4.5119%	--	--	--	--	1.4208
74007	Chrisney Town	2.0107	--	4.5119%	--	--	--	--	1.9200
74008	Hammond Township-North	1.5321	--	4.5119%	--	--	--	--	1.4630
74009	Hammond Township-South	1.3922	--	4.5119%	--	--	--	--	1.3294
74010	Grandview Town	2.0863	--	4.5119%	--	--	--	--	1.9922
74011	Harrison Township	1.4511	--	4.5119%	--	--	--	--	1.3856
74012	Santa Claus Town-Harrison Town	1.7994	--	4.5119%	--	--	--	--	1.7182
74013	Huff Township	1.4420	--	4.5119%	--	--	--	--	1.3769
74014	Jackson Township	1.5220	--	4.5119%	--	--	--	--	1.4533
74015	Gentryville Town	2.2131	--	4.5119%	--	--	--	--	2.1132
74016	Luce Township	1.5909	--	4.5119%	--	--	--	--	1.5191
74017	Ohio Township	1.3828	--	4.5119%	--	--	--	--	1.3204
74018	Rockport City	2.2879	--	4.5119%	--	--	--	--	2.1847
74019	Richland Town	2.6747	--	4.5119%	--	--	--	--	2.5540

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Spencer County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	11,763	58,487	0	10,238	80,487	20,821,883	0.4%
<i>TIF Total</i>	0	0	0	0	0	5,651,317	0.0%
<i>County Total</i>	11,763	58,487	0	10,238	80,487	26,473,200	0.3%
Spencer County	3,123	12,295	0	2,854	18,272	6,646,508	0.3%
Carter Township	12	0	0	14	26	27,335	0.1%
Clay Township	40	0	0	16	56	32,486	0.2%
Grass Township	2	3	0	5	9	71,309	0.0%
Hammond Township	12	84	0	6	102	35,105	0.3%
Harrison Township	3	0	0	6	9	29,721	0.0%
Huff Township	0	0	0	7	7	17,198	0.0%
Jackson Township	19	111	0	1	132	29,634	0.4%
Luce Township	277	1,383	0	268	1,928	232,694	0.8%
Ohio Township	24	332	0	86	443	314,788	0.1%
Rockport Civil City	380	15,724	0	616	16,720	385,496	4.3%
Chrisney Civil Town	39	74	0	64	178	47,781	0.4%
Dale Civil Town	0	0	0	262	262	275,713	0.1%
Gentryville Civil Town	126	718	0	2	847	22,318	3.8%
Grandview Civil Town	77	1,285	0	29	1,392	80,998	1.7%
Santa Claus Civil Town	1,305	0	0	464	1,769	620,271	0.3%
Richland Civil Town	624	5,662	0	415	6,702	63,659	10.5%
North Spencer County School Corp	3,653	952	0	2,260	6,865	5,266,820	0.1%
South Spencer County School Corp	1,244	16,021	0	2,030	19,295	4,724,080	0.4%
Grandview Public Library	0	0	0	0	0	0	
Rockport Public Library	0	0	0	0	0	0	
Spencer County Contractual Library	0	0	0	0	0	0	
Spencer County Public Library	256	3,122	0	403	3,781	956,934	0.4%
Spencer County Public Library	0	0	0	0	0	0	
Lincoln Heritage Public Library	354	94	0	220	668	500,200	0.1%
Carter Fire Protection District	31	0	0	62	93	101,782	0.1%
Spencer County Solid Waste Mgmt Dist	159	627	0	146	932	339,053	0.3%
TIF - Santa Claus Carter	0	0	0	0	0	15,377	0.0%
TIF - Santa Claus Clay	0	0	0	0	0	11,795	0.0%
TIF - Santa Claus Harrison	0	0	0	0	0	21	0.0%
TIF - Grass Township	0	0	0	0	0	5,623,810	0.0%
TIF - South Hammond	0	0	0	0	0	315	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.